

Mr. DURBIN. They could face a cut-off of the existing Federal funds they are receiving. You have States that could be penalized, States that already are in trouble because of State deficits. They could be penalized by not complying with the Federal mandates that President Bush created, signed, and refused to fund.

Now, let me tell you where I stand. Senator KENNEDY, who is not with us today but he certainly has been our leader on this issue, has called for full funding under title 1, full funding under the IDEA program for disabled students, and those are things I support. It comes to about \$7 billion, if I am not mistaken. We should come up with that money. If we can find \$676 billion for tax breaks for wealthy people, can we not find \$7 billion for education?

It is my position—and I do not speak for anyone but myself on this—if this Congress fails to fund the unfunded mandates of No Child Left Behind, this Senator will propose suspending those mandates, saying to those school districts across America that until we are prepared to put the money on the table, until this economy is stronger, we are not going to require you to test every student every year to make an evaluation of each of those students and go through all the requirements of No Child Left Behind.

The President cannot have it both ways. He cannot call himself an education President, wrap himself in the cloak of educational reform, and then refuse to put the money on the table. That is what he has done, year after year after year.

There are those who believe the way to stimulate America's economy is to make sure a majority of tax breaks go to a majority of Americans who believe that we should invest, as well, in the education of our children. Is there anything more important? This administration makes it the lowest priority. It should be our highest. That investment by our Nation at this moment in time will not only help us through the current recession but it will also help us for generations to come.

EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that morning business be extended for 20 minutes, and that the additional minutes be evenly divided between the Democrats and the Republicans.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I ask unanimous consent that the Senator from South Carolina be recognized for 20 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 20 minutes.

THE ECONOMY

Mr. HOLLINGS. I commend our distinguished friend from Illinois. He has

brought into sharp focus our dilemma with respect to the prime initiative of President Bush with respect to education.

I just finished a column for the local newspaper relative to symbols versus substance. You will find our Republican colleagues very strong on symbols but very weak on substance itself.

Let me ask the question, rhetorically, of course: What Governor, what mayor—all of us are facing these deficits—is cutting taxes in the face of these deficits? With voodoo? In other words, all you have to do to fix the deficit is cut your revenues. We heard this under President Reagan, and Vice President Bush called it voodoo. We heard all you needed to do was to cut taxes and the people would have so much money they would spend and everything else. We would have consumer demand. You would have sales tax revenues. You would have income tax revenues, they would all increase, and we would just grow out of a deficit.

At that time Vice President George Herbert Walker Bush, Bush No. 1, called it voodoo.

We just had, last year and the year before, of course, voodoo II. A tax cut of \$1.3 trillion plus interest costs \$1.7 trillion. We are cutting the revenues and at the same time in the 4 years, and I want my colleagues to check the record and mark it down, the defense budget has gone in the last a little over 3, nearer 4 years from 1998 until now, from \$271 billion to at least \$371 billion. It will probably be nearer \$386 billion. We have increased defense costs \$100 billion. We have increased health costs \$107 billion, when you look at Medicare and Medicaid and the veterans. But that does not include the community health centers or child health care, of course. So we spend another \$200 billion there. We have increased agriculture, farm subsidies another \$35 billion.

While we are increasing the spending that both sides of the aisle support—health care, defense, and agriculture, some \$235 billion—and then we cut the revenues \$1.7 trillion, in voodoo, and we end up with a deficit. We are just like the States. Only there is no serious purpose up here for the needs of the country. It is only for the needs of the campaign.

We have been using this Congress and the White House to campaign. The heck with the country. Despite having just completed one election, we're already looking at the next election. And the blooming media has gone along with us. They treat politics as a spectator sport, where they want to know who is up, who is down, who is announcing, who is quitting, who is doing this, and who is doing that. You can't get their attention on paying the bill.

As a result, the debt has soared to \$6.3 trillion. We will be debating next month about increasing the debt limit. I want to see how many of my colleagues will vote for that. They have increased the debt by cutting all the

revenues, increasing all the spending, and saying: I am against the Government, the Government is too big, the Government is not the solution, the Government is the problem.

I have sent to the desk a value-added tax. I want to increase taxes. I am sober. I am experienced. I got a triple A credit rating back in 1959 for the little State of South Carolina. I know what you have to do to pay the bill. I have been the chairman of our Budget Committee up here in the National Government, in the Senate. I can tell you, this is about my third try for a value-added tax.

My bill will be referred to the Finance Committee. I know revenue measures under the Constitution derive in the House of Representatives. But I know also that we had a hearing back in the 1980s when we had this voodoo. Lloyd Bentsen of Texas was chairman of that committee. I brought Dr. Cnossen, the Hollander expert. He testified, because he knew he had helped the United Kingdom. He had written a value-added tax for Japan, for Canada—every industrialized country in the world save the United States has a value-added tax. That is one of the big deficiencies we have in international trade.

They have a 15 percent to 17 percent advantage with their VAT. We have the disadvantage. When Dr. Cnossen testified, as they were leaving the room—I will never forget—former Senator John Chafee turned to Lloyd, the chairman, and he said, “Lloyd, if we had a secret ballot we would vote it out of this committee unanimously.”

We needed the money to balance the budget. We tried with Gramm-Rudman-Hollings and had a temporary restraint on the Federal budget. But then instead of a prompter, a sword to prompt fiscal responsibility, it was used as a shield. We needed to take extreme action. But we didn't take it, and Gramm-Rudman-Hollings was out by 1992. Bush I was running a \$400 billion deficit and lost office to the Governor of Arkansas.

Let's get to the Governor of Arkansas. When Clinton got nominated, his friend Erskine Bowles from Charlotte got together business leaders and market experts. They went down to Little Rock. Along with them was Alan Greenspan. Greenspan told then-Governor Clinton—he said, When you come to Washington you are going to have to not only cut spending, you are going to have to increase taxes.

Clinton said, Are you serious?

He said, The country needs it. We are not going to have any investment, we are not going to have any jobs, until the Government starts paying down the debt.

And paying down the debt was the 8-year chant on the floor of the Senate. You can't hear it now. You can't hear it now, about paying down the debt. You have to have tax cuts and so forth. One side says let's have, I don't know, a \$700 billion, \$800 billion, \$900 billion